

## LOCKHEED MARTIN CLOSES VOLUNTARY LAYOFF PROGRAM



Lockheed Martin's Information Systems & Global Solutions unit has announced that their voluntary layoff program has concluded. The voluntary layoff program was supposed to help reduce the company's work force by about 250 people this year and the associated costs of having the extra staff on board. If, at the first glance, you may be wondering why on earth, in the current economic situation where finding a job can be a more than a year long endeavor, anyone in their right mind would choose to be laid off? After all, they can't be that altruistic, to sacrifice their own livelihoods in order to save the jobs of their fellow workers. Well, it all comes down to the terms. First off, you have to understand that the plan was not offered to the entire staff of the company, the option was only given to a small percent of salaried employees. These employees were offered the change to leave with a rather nice severance package if they choose to go now. People who believed that their employment was likely to be terminated anyway after the voluntary period may have taken the deal simply to get better terms on the severance package. Given that Lockheed Martin's Information Systems currently has an employee base of about 30,000 employees this is really a small cut. This kind of voluntary lay off can also be a solid option for employees who are close to retirement age. A voluntary layoff under the correct terms could, in fact, give them the chance to retire a year early, with the buffer of the severance pay. This initiative, which was launched in September, was not the only way that Lockheed Martin hoped to reduce its staffing costs, without resorting to across the board layoffs. In July the company offered a voluntary buyout program to roughly 6,500 of its corporate and enterprise business services employees. The other programs are where it gets a bit disturbing. In a recently released statement Lockheed Martin said released the following facts: - A previous workforce reduction plan, which was a combination of voluntary and involuntary layoffs of workers in the corporate headquarters and Enterprise Business Services employees, resulted in the loss of 340 jobs. - Other jobs losses from the company include: up to 1,500 employees from the Aeronautics division and another 1,200 employees from the Space Systems division. - The Voluntary Executive Separation Program (VESP) released 600 senior executives back in to the job pool. "We continue to assess and implement a variety of affordability initiatives to ensure the long-term competitiveness of our business," said Linda Gooden, executive vice president of Lockheed Martin Information Systems, told a reporter when asked about the voluntary layoff program and the future of the company. On the whole the results of a voluntary separation program, such as VESP, can be significant. The VESP program resulted in a total savings of about \$350 million for the next five years and after that the company will save about \$105 million each year.

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